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## Digital Summit to give Nashville glimpse of new media's coming attractions

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So you've got a cell phone with a camera. Now imagine it's also a music player, a radio station, a video player and a record store. Then imagine it's in your pocket by Christmas.

Such a device is one of many new digital products that will go on the market by the end of this year.

The gadget, being developed by Motorola, will probably only get into the hands of a few "early adopters." But the fact that such neat stuff is here signals a sea change in the way content — including music, video, games and news — will be delivered to consumers.

Tomorrow, people in Nashville's music and entertainment industry will get a taste of coming attractions in new media when a slate of top technology thinkers arrives in town for the first-ever Digital Summit.

The event at the Curb Event Center on Belmont University's campus starts at 9 a.m. Panelists will talk about the look of things to come in wireless communications, digital broadcasting and other technology, with huge implications for the way music and entertainment is delivered to your eyes and ears.

The summit aims to show that new technology can give as well as take away, creating new ways for record labels and others to make money off music in a digital marketplace, such as licensing music or video to cellular and wireless providers.

Ted Cohen, senior vice president of digital development and distribution for EMI, said development of the market is still about five years away. Digital revenues account for only about 3%-5% of EMI's revenues right now but "have the potential to be part of our core business," he said.

North American consumers are projected to spend \$2 billion on entertainment — mostly ring tones and screen wallpaper — through their cellular phone handsets this year.

But that's a drop in the bucket compared with analysts' projections of what's in store once high-capacity broadband spreads and makes it easier to move large amounts of data more quickly.

The consumer-led phenomenon of free song swapping that originated with Napster in 1999 and mushroomed into a legal controversy over music downloading was just the beginning.

"The music industry needs to stop thinking that there's only one music event," such as a CD release, said Joe Fleischer, head of sales and marketing for BigChampagne, which tracks unpaid file swapping over the Internet.

"There should be multiple revenue events, not just one. All kinds, and the consumer should be able to pay for music any way they want," Fleischer said. "The consumer should have options."

Fleischer cites the film and TV industries, which make money not just by showing films in theaters but also by releasing them for DVD rentals, DVD sales, syndication and pay-per-view.

## **Digital players**

Tomorrow's summit will feature panels on the business, creative and legal aspects of new media with representatives from Microsoft, Starbucks, Motorola, MTV, Liquid Digital, Virgin Digital, SoundExchange, MusicNet, Napster and others.

By funneling paid-for music to consumers, these companies and other technology innovators aim to provide new opportunities to make money off digitized music, entertainment and other information.

Many new entertainment devices under development will be built around the cellular phone, experts say, although it probably will be a souped-up version with more entertainment functions and add-ons.

"We know you always have a cell phone," said Dave Ulmer, director of marketing for Motorola's Media Solutions Group.

The company has a whole division devoted to mobile entertainment, as well as a partnership with MTV that could provide not just streaming music through your phone but video as well.

"It's a whole new set of people they're going to have to get to know," said Summit organizer Todd Cassetty of the music industry's relationships with cell-phone providers such as Sprint, Verizon and T-Mobile.

The trends are being watched closely by Nashville's music community, which many think hasn't been as technology savvy as the rest of the entertainment industry.

## **What's ahead?**

Motorola is ready to launch a cell phone that is compatible with iTunes and has a partnership with MTV. Later this year, the phone manufacturer will launch iRadio, which technology guru Ken Rutkowski describes as the "coolest and most practical" service to come out of January's Consumer Electronics Show.

It's a software application that can download 10 hours of content the customer selects, including music, news programs, weather, traffic and video to a cellular phone, then transmits that content wirelessly through a car radio or home or office stereo.

Ulmer said the product has a strong appeal to music fans.

"We have phenomenal levels of programming coming," he said.

"There's money to be made and consumers are willing to pay it. Labels and artists now have an opportunity to deliver radio content to consumers who most want to hear their type of music. They've already told us, 'I want stuff that appeals to my lifestyle.' "

Record companies also are looking to license video for digital distribution, Rutkowski said. He said EMI and Warner were planning to make their videos available to mobile video services for purchase as well as viewing. Sony, he said, is developing a sort of iTunes for video, and Microsoft is also active in mobile downloads of music videos, sports and cooking shows to phones or personal digital assistants.

The battle over digitization of music is being fought not only in the marketplace, but also in the U.S. Supreme Court, where justices are considering a suit by the music and movie industries against Grokster and other peer-to-peer software companies that pioneered ways to make it easy for people to share music files from one computer to another.

Fleischer said that no matter which way the high court decides, the technology is here to stay and it behooves record companies and others to get on board and license their content, lest it be stolen.

"The longer you chase the customer around with a stick and try to get them to stop the biggest consumer phenomenon, the less value music will have," he said. "You'll have lost all your music and all your leverage."

### **Getting there**

**What:** The first annual Digital Summit ... "Today, Tomorrow (and the Day After)." The seminar is devoted to exploring issues related to technology and digital/wireless delivery of music. It will feature panels on the business, creative and legal aspects of new media with representatives from Microsoft, Starbucks, Motorola, MTV, Liquid Digital, Virgin Digital, SoundExchange, MusicNet, Napster and others.

**Who:** Sponsored by Leadership Music, an educational organization for music business professionals.

**Where:** Belmont University's Curb Event Center.

**When:** 9 a.m. tomorrow, beginning with a welcome address by Mayor Bill Purcell.

**Cost:** \$149; registration and information available at [www.digitalsummit.org](http://www.digitalsummit.org) or at the event.

**Tip:** Open to the public.